

*Cabin Site Sale Cost Summary*Exhibit No. 6Date 3-31-15Bill No. HB 2

- Total Projected cost of selling 40 cabin sites per year = \$265,000, \$65,000 of private funds, \$200,000 of state funds
- \$65,000 of private fund spending will be for the portion of the appraisal cost for valuing lessee improvements, legal advertising, and sale processing costs.
- \$200,000 of state fund spending will be for surveying of unsurveyed cabin sites, the portion of the appraisal costs for valuing the land, 1 FTE and operating costs to conduct the sales.
- Funding for the \$200,000 of state spending will come from DNRC trust administration account, which is funded by revenue generated from land management activities. (leases and license fees)
- Reductions to the common schools distributable revenue due to sale costs and reduction for loss of cabin site rentals must be offset by general fund expenditures. (FY16-\$89,555 and FY17-\$139,678)
- Trust beneficiaries will have reduced rental revenues when sites are sold, until new properties are purchased to replace the rental revenues, long term revenue for beneficiaries should be equal or greater.

Prepared by DNRC
Submitted by Margaret Morgan